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NATIONAL REVIEW

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Communist China, we are now told from enough sources to overwhelm doubt, will test its first A-bomb either late this year or early next. Just as this prediction becomes globally official, Russia for the first time makes a key concession "in principle" on the nuclear test ban: she is willing to permit two or three on-site inspections by international teams.

France has already exploded several A-bombs and is busy with H-bomb development. Israel and India have the plant to turn out A-bombs in short order; Italy could quickly follow; West Germany, if armistice conditions were loosened or disregarded, would not need many years. The $n + 1$ problem is upon us.

"To prevent the spread of nuclear weapons" has been a primary aim of American foreign policy, on the theory that the danger of all-out nuclear war increases exponentially with the increase in the number of nations possessing nuclear armament. This theory led to both the endless test ban negotiations and the unending series of concessions offered by Washington; dictated Washington's refusal to aid France in her nuclear projects; brought cancellation of Skybolt—which would have given Britain a genuinely independent nuclear weapons system; prompted the frantic present attempt to sell Europe the idea of dropping all nuclear arms except for a NATO Polaris system under ultimate U.S. control.

Moscow also seems to believe this theory, and to wish to preserve the US-SU duopoly of effective nuclear power that replaced the earlier, squandered US monopoly. Hence, no doubt, the sudden renewal of secret test ban negotiations.

In this attempt—so it would seem to be—to create a US-SU nuclear condominium, Moscow shows better sense than Washington. Moscow rightly fears any nuclear arms, Communist or non-Communist, not under its own control. (Among Communist nations, it is only those free of Soviet armed force that can incline toward the Sino side of the Sino-Soviet split.) But as far ahead as plans can be meaningfully projected, there is no possibility that Britain, France, West Germany, Italy, Belgium, Spain—or any of a dozen others—would turn an independent nuclear armament against the U.S. We have no good reason to fear their nuclear arming, as Khrushchev has to fear Poland's, Hungary's—or China's.

But if a lesser nation used or seemed about to use a nuclear weapon, would this not trigger a general nuclear war? Why so? Today, if there is any resort to nuclear weapons it can only come from one of the giants, thus threatening the other with total destruction and demanding a total response. But if Turkey, say, had a dozen modest H-bombs, she could not destroy the SU, but could do enough damage to make Moscow think twice about aggression; and even if war started, Moscow (and Washington) could believe Turkish territory a sufficient objective. The $n + 1$ law is far from self-evident.

In any case, more nations will have nuclear weapons before long, no matter what Washington and Moscow do. Only an absurd policy tries to buck the inevitable.

The WEEK

◎ Announced, but not fully confirmed: that U.S. missile bases in Turkey will be dismantled and withdrawn. It goes without saying that Washington will guarantee the Turkish government's acceptance of on-site inspection and verification. An early announcement is expected that Adlai Stevenson will resign his UN post to take over as Chairman of the Joint Chiefs of Staff.

◎ Senator Fulbright has sent a memo to members of the Foreign Relations Committee, outlining his reasons for wanting to investigate the anti-Communist activities of various ethnic groups in the U.S. "Often these nationalities groups concentrate on influencing U.S. foreign policy," says the Senator, "in directions designed primarily to promote the interests of foreign organizers. . . ." (That is, to liberate captive nations.) Will the Senator subpoena the Cubans whom the President addressed in the Orange Bowl?

◎ From the first bombings of Elisabethville hospitals to the last machine-gunning of unarmed civilians there has been little doubt about the outcome of the UN's Congo Peace Pogrom: Katanga is a *province,* and never mind

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what the Katangese have to say about it. Next question: what to do with the duly-elected president of Katanga, Moise Tshombe. Advice ranges from the sage to the osagyefo, from responsible elements of the State Department who want him to get a significant post in the Central Congolese Government to Kwame Nkrumah who wants him hanged. There is little precedent for the placement of democratically elected officials who have been deposed by the UN. Suggestions may be addressed to Ralph Bunche. If too late to solve the Tshombe case, it will be handy to build up a file for the UN wars to come.

Aux Ecoutes

"Caroline, yes, I do love Macaroni, but I have to speak with your father!"

• A fine-looking band of Cuban warriors (ransomed at $500,000 per man) took New York's Overseas Press Club by storm last week. Mañuel Artime, 45 pounds lighter than when he went ashore at the Bay of Pigs, declared that plans are already afoot for the next—and successful—invasion. He said his men "will knock on every door in the Free World" to amass support for the attack. "What will you do if you do not get weapons from the West?" a reporter asked. A standing ovation greeted his shouted reply: "Then we go anyway and die. . . ."

• The evidence presented by the Justice Department to back up its fantastic array of charges against General Walker failed to convince the grand jury, which declined to return an indictment. The Department promptly moved to dismiss the pending case "without prejudice," and it was so ordered by the court. This means that the charges remain as a club over Walker's head that can be swung by the government at any time it chooses, until they expire under the Statute of Limitations. The demonstration is complete that Bobby Kennedy's Get Walker operation was never a responsible legal procedure, but a psywar maneuver to smear Walker by managed publicity, and keep him smeared. Walker's attorneys are trying to have the case reopened, so that the government will be forced to carry it through to a clear-cut verdict.

• Washington *Post* (Jan. 16) headline says, "Katanga Return to Fold No Big Financial Load." Nice to know Adoula's deficit-ridden government won't be inconvenienced by the burden of Tshombe's minerals.

• In Peru, the ruling military junta, faced with an election scheduled for June, has suspended constitutional guarantees and jailed eight hundred persons as Communists plotting against the security of the state. Observers in Lima report that the junta brought this crisis on itself. Blinded by their long-standing hatred of Haya de la Torre, the generals hounded his followers out of their controlling positions in a number of key labor unions. This left a vacuum which the Communists—the only alternate union leadership at hand—rushed in to fill.

• The gold outflow has resumed, with a loss of $50 million in mid-January. Treasury officials predict the outflow in the first quarter will be about the same this year as last. The deficit in U.S. international payments was $3.2 billion in 1961 and $2.7 billion in 1962 on normal account; and in both years was reduced by about $700 million of advance repayments of debt by foreign countries trying to help us out. But our principal foreign debtors (France, West Germany, Italy, Japan, Holland, Britain) who are able to prepay are running out of things to prepay. At their current rate of aid to the dollar they'll have prepaid and repaid everything but some old and doubtful World War I loans, *within two years*. Thus, unless the Administration buckles down to the hard problems underlying the dollar's weakness, the payments deficit may take a sharp turn for the worse—possibly at the very time when the U.S. is running the enormous deficits planned for the domestic budget. The dollar may soon be the sickest of the major currencies of the West.

• *Washington, January 8.* As the Administration arrives at the National Gallery to undrape the Mona Lisa, a hundred members of Young Americans for Freedom man the picket lines protesting U.S. support for the UN war against Katanga. Mr. and Mrs. Soapy Williams, as they pass through the YAF pickets, are overheard. She: "Are they Communists?" He: "No, they're right-wing extremists."

The Sea-Land Split

Commentators devoting so many words to the split in our enemy's camp might give more thought to the fission in our own. No one outside the Communist High Command can do more than speculate obscurely about the exact meaning of the dispute between Russia and China. Every Western analyst should be able to see that the Grand Alliance of the West is cracking. If the crack widens into a chasm, the strategic balance may swing decisively in the enemy's favor, no matter what comes of the relations between Peiping and Moscow.

The basic terms of the Western crisis are simple. There

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is the "continental strategy": based on the nations of the West European land mass grouped around France and West Germany, possessing an independent nuclear armament, and pursuing an independent ("Third Force") policy. There is the "Atlantic strategy": based on a single general alliance of all the major Western nations, both the Anglo-Saxon sea powers and the continental land powers, with a joint nuclear armament and a coordinated policy under *de facto* American leadership.

Over the past two years the Atlantic strategy—the sole structure that can assure Western survival—has been undermined from both directions. Openly opposing Britain's membership in the Common Market and America's proposals for a joint NATO nuclear force, de Gaulle presses the continental strategy without hiding his aim of cutting Europe loose from the influence of "the Anglo-Saxons." President Kennedy, from his side, crudely sacrifices European interests in his wooing of the Afro-Asians, negotiates with Moscow over Europe's head, and gives no weight to European needs in weapons development.

Britain becomes the key and symbol. If the Common Market rejects Britain in the end, that signifies the collapse of the Atlantic strategy: for Britain is Europe's link with the Atlantic, the Americas and the seaman's world.

Much more is at issue. The West European peninsula cannot stand alone in our day, either militarily or economically. It cannot defend itself alone against the Great Continent of which it is only a minor appendage. It does not have internal raw materials or an internal market sufficient to its advanced industrial plant. Therefore, if West Europe turns away from the Atlantic, it must turn toward the East. The German *Drang nach Osten*, the Franco-Russian entente, must be resumed.

The stakes are huge; the principals seem to be playing with almost incredible heedlessness.

The UN Forever?

It's been ten years since the Korean War chilled down to a cease-fire, and the UN is still there, in South Korea, managing the formalities, filing reports, and yakking. Since 1954 the UN tripartite armistice commission in Southeast Asia has been relaxing in the best hotels, making investigations, filing reports, and yakking while the relevant hunk of the earth slithers its way into the Red bloc.

Does anyone remember how long the UN forces have been in the Gaza strip—or care to guess how long they'll be there, sucking cash from a wasted treasury, and doing exactly nothing toward settling the local troubles?

Katanga, they tell us, has been laid to rest. Numbed, most probably, by massive infusions of UN violence. Dr. Ralph Bunche, riding high after his first military conquest, announces the glorious news: the UN will now undertake in the Congo the world's most enormous program of foreign aid. That is, the UN bids fair to stick in the Congo like a porcupine quill, working ever deeper, festering ever more.

PEOPLE: First mission of domestic Peace Corps a costly Harlem project. Headquarters will be premises landlord tried to rent for years. Landlord: **Adam Clayton Powell.** . . . African sources believe **Nicholas Grunitzki,** from exile in Ghana, arranged murder of brother-in-law President **Olympio** of Togo. . . . Shock waves spreading Left and Right as Canada's **Lester Pearson,** former IPR stalwart, Chinese Communist apologist, calls for Canada's acceptance of nuclear arms. . . . Alms and the Man: **Ben Bella,** aided at $2 million-a-day rate by France, announces shipment of arms to Angolan terrorist **Holden Roberto.**

Charlotte Reid (R., Ill.), eleventh congresswoman, getting big play in press as most attractive member. Ten representatives on war path. . . . Master spy **Cicero** suing West German government for $423,000 owed him by Nazis; paid in counterfeit sterling for photographing D-Day plans (remember movie?). . . . Top Soviet virologist **V. M. Zhdanov** demands World Health Organization ban sales of drugs until tested to WHO's satisfaction. Observers see Russians using thalidomide deformities to get veto on U.S. drug sales. . . . British Defense Minister **Peter Thorneycroft** expected to resign after Skybolt debate in House of Commons. . . For two years, **Ramon Padilla** and **Pedro Fernandez,** ex-Castroites, lived in asylum in Brazil's Havana embassy. Both found dead on Embassy grounds.

Backdoor spending banned if motion of Rep. **Thomas Pelly** (R., Wash.) passes; failed by one vote to clear Rules Committee last trip. . . . Australia considering granting asylum to **Jerzy Boniecki** of Polish consulate; Poland demands return to Warsaw. . . . **Stephen Smith,** yet another **JFK** brother-in-law, takes top arm-twister's job at Democrats' HQ, concentrating on Ohio, New York, Pennsylvania and Michigan—key states with GOP governors.

Some Republicans discussing Defense Secretary **Robert McNamara** as GOP Presidential candidate in '64. . . . Golf or no golf, White House sees less of **JFK** than it did of **Ike.** Records show Jack away 215 days in the first two years to Ike's 195. . . . UN needs praying for, thinks Rep. **Frank Becker** (R., N.Y.), introducing resolution instructing U.S. mission to demand prayer at start of each day's session. . . . At dinner commemorating publication of first volume of projected eight-volume autobiography, 80-year-old British author **Sir Compton Mackenzie** gives secret of longevity: smoking since school days, no exercise for fifty years.

Insurance with a soul: Lloyd's $28,000 policy on hands of **Joe (Mr. Piano) Henderson** has three restrictions: he can't shake hands with anyone weighing over 15 stone, sign more than 200 autographs at any one session, or duel.

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It may be a general law: *the UN, once admitted, stays forever, and spreads.* Even in Manhattan: where the UN wants more land, more buildings, more limousines, more parking space, more bureaucrats. . . .

And for what? To solve problems? But the UN obscures them, confuses them in the fog of press releases and the mildew of static rulebooks. To ease passions? But the UN only smothers them in bureaucratic foam; they will crop up again. Every UN toehold becomes a beachhead in the spread of its bureaucratic empire. The "peace" of the UN is the peace of the prison.

A few years more, and in every minor nation outside the Communist bloc you will find the fog and the mildew and the troops: the classic formula of UN paralysis. Forever. Or at least until the prisoners revolt, or the U.S. ceases to pay the warden's wages. ·

Collective Bargaining, RIP

Pierre Salinger and Bobby Kennedy have stuck their noses into the New York newspaper strike, federals are digging into the Philadelphia transportation strike, Labor Secretary Wirtz and federal proposals are on the table for settling the East Coast dock strike. The NLRB and the President's Labor-Management Council haven't been heard from. Instead, federal intervention in labor disputes comes direct from the White House, just as it has since Arthur Goldberg waded into the Metropolitan Opera dispute, the New York tugboat strike, the airline strike.

If this is the pattern of labor negotiations from now on, we may as well cast away the notion of collective bargaining. For the habit of intervention by the federal Executive must work against the system of labor and management settling their disputes privately. Once it becomes obvious that the federal step is just around the corner in every strike, big or little, then no one is going to feel compelled to work out his problem under his own steam—certainly not labor, which always seems to get the fat end of the stick when the federals offer a solution (in the dock strike, management offered 22¢; the feds looked at the case for a couple of days and recommended 37¢).

Direct White House pressure in the steel dispute, in the West Coast aviation companies, in the labor problems at missile bases—the list rolls on, while the White House takes an ever more active hand in the direct management of economic problems at the local, specific, one-shot level, without explicit legislated authority, without deep knowledge, without responsibility.

On January 22 the President said he would not seek any new legislative authority for settling strikes. He already wields the *de facto* power of office, prestige, indirect pressure, managed news, and he wields it virtually on his own whim, which is the way he likes to do business. If he had to administer a law, he would be required to apply it fairly, across the board. Almost any law governing the administrative settlement of labor disputes would *decrease* the present power of the White House. That is why the

• At Home •

Washington

Among the first steps down the road to the Coercive State is the "management" of news. The next step is to rewrite history so as to expunge past failures and mistakes. During the past two years, the Kennedy Administration has built up a coordinated and effective censorship apparatus. Now New Frontier typewriters are pounding out their Orwellian version of recent events.

Highest priority is being given to wiping away the sad and shameful record of the Bay of Pigs fiasco. The White House is aware that President Kennedy's denial of air cover when the Freedom Fighters landed in Cuba in April 1961 continues to damage his "image." Efforts to blame the Central Intelligence Agency and the Joint Chiefs of Staff for the disaster have never been taken seriously on Capitol Hill. Therefore, the decision has been made to deny everything. In what should prove the beginning of a concerted effort, Attorney General Robert F. Kennedy has launched his newspeak balloon.

Contrary to evidence previously released by the White House and the Pentagon, the Attorney General has given an exclusive interview—you get more mileage that way—to a Miami *Herald* correspondent in which he states categorically that no air cover was promised to the Bay of Pigs invaders. Then the carefully-briefed Bay of Pigs leaders gave the same story at their first press conference. The next move will be a series of carefully-worded statements from the military which will, at first glance, seem to corroborate the Attorney General's assertion.

The Administration will push hard to rip out from the history books the Bay of Pigs story as it really happened. The White House wants no repetition of the bad miscalculation involved in the Bartlett-Alsop article on the deliberations which preceded the half-hearted blockade of Cuba last October. The purpose of the *Saturday Evening Post* disclosures was to show what a strong and decisive executive President Kennedy is. Instead, they gave the public a glimpse of the sad counsels received by Mr. Kennedy from his top advisers. Belatedly, the Administration and Ambassador Stevenson, the whipping boy of the account, attempted to take it all back.

Stewart Alsop has not taken the rebuff lying down. He now discloses that his information concerning Mr. Stevenson's appeasement role was triple-checked with Clayton Fritchey—not only our UN delegation's flack but also a power in the Democratic Party. It will be recalled that Mr. Stevenson argued that the U.S. should offer Comrade Khrushchev a trade: withdrawal of American missile bases in Europe and Turkey in exchange for Soviet withdrawal from Cuba. Mr. Stevenson also suggested a U.S. retreat from Guantanamo—a small detail left out of the original

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Bartlett-Alsop account because it would have been too embarrassing to the Administration.

The irony of the horrified protestations made by both Mr. Stevenson and Administration spokesmen is that the American equivalent of the pre-World War II Cliveden Set won its point. There is little doubt today that a deal was made with Comrade Khrushchev. The texts of letters and aide-memoires on the Cuban crisis between the U.S. and Soviet governments have yet to be released. But it is a matter of record that since the Soviet IRBMs and MRBMs were "removed" from Cuba, the Administration has been slowly preparing the ground for the nuclear disarming of key U.S. bases in Europe and Turkey.

The first clear evidence of this came when Mr. Kennedy destroyed the Skybolt program and let the Pentagon know that the days of the SAC were numbered. The next piece of evidence has been the announcement that the U.S. is substituting Polaris missile submarines for its vitally important strategic bases in the Mediterranean. In short, the Administration is pushing disengagement.

Mr. Kennedy is simultaneously scrapping the American system of alliances and calling for a $53 billion military budget. The two are not mutually exclusive. For it has become apparent that the President is at least nibbling at the Khrushchev bait of bilateral agreements to end the cold war. The Soviets have sought energetically for years to convince the U.S. that if we divested ourselves of West Germany, France, Britain, and our other allies, it would be easy for th etwo greatest world powers to come to terms. That West Germany is the pivot of Europe does not seem to have occurred to Mr. Kennedy. President de Gaulle, whatever his messianic aberrations, has watched the course of American foreign policy with qualms—and his attempts to organize a European alliance not dependent on the U.S. is the result of conclusions as to the untrustworthiness of agreements with the Administration.

Meanwhile, back at that Potemkin Village known as the White House, life has been following art. On a recent Saturday night, at 6:30, the President began summoning people for dinner—à la the Vaughan Meader recording. The comedian George Burns, actress Carol Channing, and other show biz types dashed over for dinner in daytime clothes. Afterwards, Attorney General and Mrs. Kennedy, Senator and Mrs. Kennedy, the Sargent Shrivers, and a number of Kennedy cousins joined the festivities. There was a sing-along in which the assembled Kennedys sang "The Wearin' of the Green," followed by a tour of the White House. But the guests could not inspect the Lincoln Room. They tried—but Mrs. Rose Kennedy was asleep in Mr. Lincoln's bed.

Now you know why the record has sold four million copies.

QUINCY

Congress should get behind Senator Goldwater's proposals to legislate some order and equality in the field of labor-management negotiations.

If the Congress fails to act, we are stuck with a collective bargaining system that is unable to get off the ground, and in its place a system of labor negotiation by White House ukase, which in the long run can only damage the interests of everyone—organized labor very much included.

BRIEFS: Cuban underground sources say large part of ransom matériel now on Soviet liner *Admiral Nakhimov* bound for Russia. . . . Ransom haul included many items banned for export to Cuba: optical instruments, refrigeration equipment, pesticides, etc. . . . **Communist-organized mob damages impressive replica of Berlin Wall erected on campus of University of Santiago by German Ambassador to Chile.** . . . Worried African nationalist leaders of Central African group (PAFMECSA) visit Léopoldville to head off proposal Congo Government join French African Community (AUM). . . . **Panamanian Interior Ministry battles sabotage campaign, blames Castro.** . . . Cosmeticked cosmonaut Communist con job: Soviet spacewoman tale based on forged letter.

FBI nabs three passing U.S. defense documents to Castro agents in Jackson, Mississippi. . . . UNOphiles at State and ADA enraged by New York decision denying diplomatic immunity to Castro saboteur on ground it was never meant to cover UN delegations, only embassies. . . . **Rumanian underground reveals 25,000 political prisoners doing slave labor in gold mines. Professional miners allowed no contact with slaves, partly because of high TB rate in camps.** . . . Indian Communist Party gets shakeup with pro-Chinese faction purged. . . . Englishmen going without electricity for hours daily this winter (hospitals operating by candlelight, several deaths from freezing) reflect that long-nationalized electrical industry has been boast of socialist planners. . . . Government spending under new U.S. budget totals $664 for every man, woman and child, up $35.82 from present fiscal year. . . . **Democratic Party out of red after massive squeeze of bureaucracy. Many federal employees got hint promotion unlikely if absent from fund-raising dinner.**

One-up: speeding Sister of Dominican Order stopped by San Francisco traffic cop who cracked, "I suppose you have your pilot's license?" "Yes, I have," she replied sweetly, producing flyer's license she's had for years. No ticket.

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• Trends •

When he presented Congress his budget for fiscal 1964, President Kennedy estimated it would incur a deficit of some $11.9 billion.

This projection is in itself disturbing. Such a deficit would, by official reckoning, push the national debt up to $315 billion, unleashing a new wave of price increases. Under the guise of "cutting taxes," the President would impose on the nation a boost in the cruellest, most regressive tax of all—the tax of inflation.

But while that outcome would be lugubrious enough, it does not suggest the full measure of peril concealed in Mr. Kennedy's budget. For one thing, as Senator Harry Byrd (D., Va.) points out, with the first step in the tax-cutting program the President is demanding the anticipated deficit would in fact be closer to the $14 billion mark—the New Frontier's third straight year in the red. "There was," Senator Byrd observes, "a $6.4 billion deficit last year. The deficit in the current year is estimated at $8.8 billion. With a $14 billion deficit in the coming year the cumulative three-year deficit would approach $30 billion."

Nor, unfortunately, is this all. The $12-$14 billion estimate of the deficit-to-be is based on a number of presuppositions about increased revenue replacing money lost through the Kennedy tax cut. Such expectations at best are shaky; they have gone into budget calculations before, and because they failed to materialize, deficits have been far larger than the "experts" predicted.

Last year, to take a prominent example, President Kennedy confidently predicted a $500 million surplus for the 1963 budget—a surplus which as of this writing has turned into a deficit of $9 billion. The President's forecast was off by $10 billion. This time he at least knew he couldn't get away with kidding the nation by forecasting a surplus, but there's no reason to suppose his experts have sharpened their pencils. The deficit estimate may still be about $10 billion off the mark.

Consider the following: characterizing his budget as a venture in frugality, Kennedy claimed he had held down non-defense spending. Not so, according to the authoritative *Wall Street Journal.* Reporter Allen Otten of that newspaper says:

"It's only by budget sleight-of-hand that total outlays outside defense and space can be counted as dropping. While the extent of the real increase is hard to estimate because of the intricacies of federal budgeteering, any realistic look at the budget shows that next year's overall spending in areas other than space and defense already looms a good bit higher than this year, and also that it may wind up even higher than now is forecast."

Otten gives some examples of things Kennedy believes will reduce the gap between expenditures and revenues: a proposal that receipts from REA operations be deducted from costs, rather than deposited in the general fund. The chances of this happening are dubious, since Congress rejected a similar suggestion last year.

"Over $1 billion of generally higher spending is being cloaked—in budget terms—by anticipating the sale to private creditors of that amount of loans now held by government. . . . But most officials concede this is a rather optimistic projection of what private lenders might be persuaded to buy in the year ahead. . . ."

"The $1 billion projected drop in farm price support outlays is more a prayerful hope than a firm estimate, budget officials privately admit."

And so it goes: an allegedly "frugal" budget uniting virtually unlimited spending with "prayerful hopes" about increased revenues and declining costs. There is little to be said of such gossamer illusions—except that enough of them will be disappointed to make the deficit larger than the predictions. (It is interesting to note that, while budget makers during the past eight years have come up with forecasts of balanced income and outgo, the budget has in fact been balanced only twice.)

From the foregoing, it becomes apparent that the national debt, by the end of fiscal 1964, is going to be considerably higher than the officially estimated $315 billion. But even a revised forecast of $325 billion would not tell the full story of federal obligations. For the fact of the matter is that the government which is proposing this spending spree carries real obligations amounting to some 1.25 *trillion* dollars—if such a figure is conceivable. This was the estimate of Senator Byrd last year, taking into account the various trust funds, such as Social Security, which the government administers. On top of this, President Kennedy proposes yet more spending, accompanied by a tax cut.

What is the reason for this pilgrimage to insolvency? Why, the citizen may be tempted to ask, does not the Kennedy Administration, if it believes a tax cut imperative, cut expenditures as well? In his State of the Union message, the President said the reason was national defense. "There are no doubt some," he said, "who would prefer to put off a tax cut in the hope that ultimately an end to the Cold War would make possible an equivalent cut in expenditures—but that end is not in view and to wait for it would be costly and self-defeating."

Yet the truth of the matter is that America's progress toward the never-never land of the $100 billion budget has not been caused by the "Cold War," but by the desire of those in power to buy votes with handouts. Over the past decade, defense expenditures have been one of the most stable items in the national budget (increasing $7 billion, or 14.4%, since 1954). The galloping increases have occurred in the field of non-defense domestic spending (increasing $14 billion, or 126.3% in the same span). Welfare spending has risen precipitously—$3 billion or 140%.

President Kennedy, it becomes clear, is preparing to give us more of the same. M. STANTON EVANS

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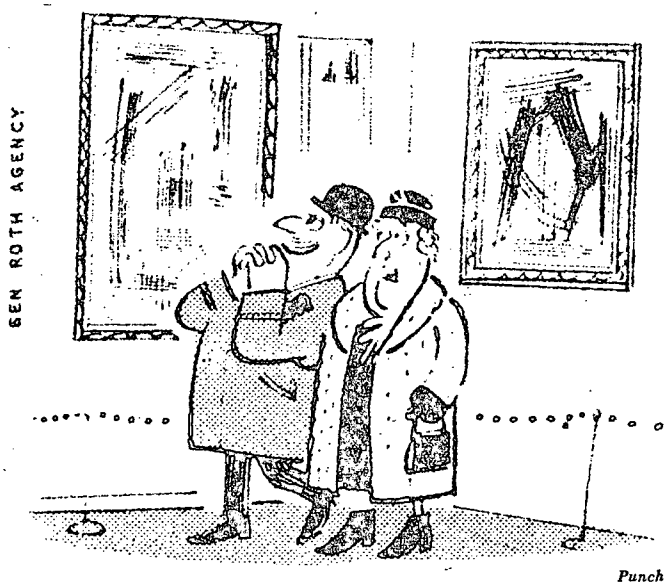
◦ Abroad ◦

London. The Radcliffe Tribunal, appointed to inquire into the case of Admiralty clerk John Vassall, who turned out to be a homosexual spying for Moscow, is at work. Early hearings have been occupied with reporters who wrote sensational articles on the affair, many of them suggesting a liaison of some sort between Vassall and his superior, Thomas Galbraith, a friend of the Prime Minister. The reporters have refused to identify their sources for juicier tidbits—that Vassall rented a £400 flat on a £700 salary, bought women's clothes, was known as "Auntie" around the office, frequently visited Barskimming (the Galbraith family estate), etc., at the same time that he had access to secret documents of Naval M.2 (Intelligence). The Tribunal has the power to compel responses, but has not yet decided whether to do so. The testimony occasionally indicates that in Britain plebeians still have special obstacles to overcome when assaulting upper-class ramparts. Brendan Mulholland of the *Mail* and Harry Miller of the *Telegraph* managed to get an interview with Galbraith at Barskimming. "Mr. Galbraith," Mulholland testified somewhat plaintively, "commented on my socks, which were yellow. He either said to Mr. Miller or nobody in particular: 'How can I have a serious conversation with that fellow sitting there in those outrageous socks?' " When counsel then examining asked, "What was outrageous about them?" Mulholland explained: "They were in a particularly nasty shade of yellow."

Leipzig. When Klaus Fuchs, the physicist and atom spy, was released from Britain's Wakefield prison, he was allowed to go to East Germany, where he was made a professor at the University of Leipzig, and an associate director at Dresden's Atomic Research Institute. His work was in non-military fields, but after several years he was asked to transfer to a Soviet institute where his research would have been integrated with weapons development. Fuchs, whose idealistic illusions about the Communist system had apparently been destroyed by experience, refused, and maintained his refusal in the face of intimidation, threats and penalties. The result was a psychological crackup; and Fuchs is now reported to be undergoing psychiatric treatment.

Ankara. A governmental decree issued this month designates Gulhane Park in Istanbul as an area where flirting will be henceforth permitted. The official statement defines "flirting" as "normal activities by loving couples in parks." Special park officials will be on 24-hour duty to guarantee that couples so occupied "shall not be disturbed." A spokesman explained that the new ruling is designed "to encourage tourism" and "to bring Turkey nearer to Western customs."

Lagos. The mass trial of Chief Awolowo and two dozen other leaders of the Action Group is now well into its second month. Anthony Oboh, Henry Oleari, Patrick Dokotri and Alhaji Ibrahim Imam have testified in detail about the training in guerrilla operations, sabotage and psychological warfare that the Action Group and the allied Bornu youth group were given in Ghana. Classes covered small arms, explosives, blowing up of houses and railways, organization and radio propaganda. Two Russians were in charge of the teaching staff.



Punch

"After all, you couldn't stand abstract art before Khrushchev condemned it."

Lomé, Togo. Although the murder of President Sylvanus Olympio seems to have been carried out more or less inadvertently by a brainless group of unemployed soldiers, the incident fits into the emergent pattern in sub-Saharan Africa. Responsible democratic government was never a serious possibility in the new nations; the tendency has been toward a one-party (more accurately, no-party) system under a paramount chief and his familiars. This means that an opposition, if there is one, must operate illegally, through conspiracy and terror. The last few months suggest the opening of a period of coups and putsches, often linked to a kind of pretorian guard formed from the inflated soldiery. There have been bomb throwings in Ghana—some of them perhaps provocations staged by Nkrumah. In Senegal, President Leopold Senghor blocked an attempted coup by a counter-coup of his own. Terror and counter-terror are widespread in Cameroun. A major plot is rumored in Ivory Coast. The parliamentary mechanism has broken down in Nigeria with physical fights in the assembly and the trial of the opposition for treason. Burundi has been staging public executions before audiences of 20,000. Two alleged Mali plotters against President Keita were brought to trial late in October, and duly condemned.

(In the last issue of the Bulletin, *"Abroad" mistakenly located Najran in Yemen. Actually, Najran—from which some of the Yemeni royalists have been operating—is just across the border, in Saudi Arabia.)*

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• The Investor •

You may have wondered why the stock market didn't spurt upward when President Kennedy recommended the very tax reductions that business men have been pleading for.

The convenient explanation, of course, is that the stock market, always obliged to anticipate news developments, had already discounted what was essentially good news. It's true the State of the Union message had been discounted, but not on the basis that it was good news. The Street had also discounted the budget message, which followed the Presidential tax plea by two days, anticipating it for what it was—a gloomy assessment of the biggest business in the whole world, the United States Government.

These two reports may have been the government's annual business messages, but they were most un-business-like to any business man. They showed unmistakably that this particular business is going to operate in the red and, moreover, that its management wants it to operate that way—is planning for it to operate that way.

That's why the stock market, seeking a plateau after its two-month steady climb, tried first one rally then another, only to bog down again on profit-taking. The professionals took the profits; they were in no mood to expand the trading into a bull market. This, incidentally, is not an unhealthy sign. It maintains an orderly transition from one price range to another.

Viewed side-by-side the two Presidential messages are plainly incompatible. On one hand Mr. Kennedy has asked Congress to cut tax revenues by $13.5 billion over the next three years, but two days later asked for much greater public expenditures in his budget—expenditures which in many cases are new, novel, and perhaps unwarranted at this particular time.

It's as true of government as it is of a family budget, that if you spend more than you take in, you go into the hole. When Uncle Sam gets in that kind of a fix, the Treasury borrows money to make up the difference. This causes a two-way spurt of inflation, first by freeing more money through the banking system as the government issues its bonds, and second by directly pumping more money into the economy through the appropriations. Inflation, any business man knows, will wipe out any gains to be realized from the tax cuts, that is, if the government is to broaden its deficit spending programs.

Thus those analysts whose duty is to look ahead so that the market can anticipate events, are doubtful that Congress will be able to go along with the President except in the broadest general outlines. For either the budget will have to be cut—and the President is opposed to that—or the taxes cannot be cut so much.

The image the President has created for himself with his two messages is that of a giver of great gifts. Congress is now in the position of having to snatch those presents away from the public.

The political motivations in the record-setting budget are obvious—the large appropriations requested for the public sector, for health, legal counsel for the poor, urban renewal, training of doctors and dentists, a domestic Peace Corps, and such.

Now Congress, charged by law with the responsibility for keeping as orderly a house as possible, will have to assume the role of ogre and deny the promised favors to the public.

It was last spring at Yale that President Kennedy discussed the necessity of forgetting the myths of the past. One of those myths was the notion that a large budget deficit is harmful. At about the same time, Presidential Economic Adviser Walter Heller gave a series of talks and interviews (one was a now-historic appearance with Howard K. Smith on his ABC television program) in which he advocated a big budget deficit on grounds that it will be helpful rather than harmful to the economy.

It appears now, in retrospect, that Messrs. Kennedy and Heller, abetted by the willing cooperators in the communications media, were merely setting the stage.

Perhaps we can hope that not enough congressmen will be willing to subscribe to the idea that a budget deficit is only mythically harmful. Perhaps a sufficient number will remember the tragic effects of inflation on the lower and middle income groups when other deliberate deficits were created in the name of do-goodism.

Yet, in fighting the evil of deficit spending, Congress may impede the national economic growth rate that the President *says* concerns him.

Already some Republicans and conservative Democrats are planning a full-dress campaign against the President's proposed tax program on grounds that it would be better to forego tax revision now than to run a large Federal budget deficit. One line of attack being planned is to investigate more thoroughly the loopholes in the existing tax structure with the intent of producing added revenue for the government.

It would be unfortunate if a squabble over loopholes and such details were to delay tax action in Congress. It has taken years of slow recognition of economic verities to get universal agreement that tax reform is necessary if America is to be able to grow and provide jobs for all who need them.

Tax reform is a pressing need. Adjusting other matters, such as closing loopholes, could tie up the legislation for another two years. After all, a loophole is not a mistake in the tax law; it is a deliberate escape clause put there for specific reasons. Arguments on the merits of those reasons could last for months.

At this point, no one knows where the moods of Congress will lead the economy—to bigger spending, to junking of tax reform legislation, to costly inflation-inducing compromise. It's the indecision that hampers the stock market and dampens the will to invest.

DONALD I. ROGERS

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